

# The Town of Rowland and the Local Government Commission



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On Oct. 6, 2026, the Local Government Commission (LGC or Commission) assumed control of the Town of Rowland's finances.

The Town has been unable to keep up with its financial obligations, using restricted state grant funds for ineligible purposes. Its General Fund – essentially the Town's main checking account – ended FY 2025 with a negative balance, and the audit firm hired by the Town stated that it had serious doubts about the Town's ability to continue operations. The LGC assumed control to oversee spending, help stem further losses and determine the Town's financial position and obligations. Prior to this action, the Commission had assumed financial control of a unit only 14 times before in its 91-year history. This fact sheet answers common questions about what happens next and what the change means for Town services and residents.



## Why did the LGC assume financial control of Rowland?

The Town of Rowland has struggled to pay its bills and keep up with its financial obligations. As of August 2026, the Town had about \$153,000 in past-due bills. Its General Fund had a deficit, and its Water and Sewer Fund had lost money four years in a row. The Town also faced repayment of grant funds that it had improperly used for operations rather than for the approved grant purpose. Late audits and weak financial controls made it difficult to get a clear, timely picture of the Town's finances. The LGC assumed control to oversee spending, help stem further losses and determine the Town's financial position and obligations.

## What does it mean for the LGC to assume financial control?

The LGC will make the Town's financial decisions, including decisions about its budget and spending. Before Town officials or employees commit Town funds or make a payment, they must get direction from LGC-appointed staff. The Town may not automatically make routine payments or spend funds on previously approved expenses, even with available funds in the budget, without approval of the LGC-appointed staff.



## What happens to Town services and day-to-day operations?

Taking control of the Town's finances does not automatically stop Town services or put the LGC in charge of every Town function. The Town will continue its work while the LGC and Town officials review its finances and services. The Town's governing board maintains authority over non-fiscal matters. It must get LGC approval before starting a new service or amenity. The Town and LGC will also look at how to keep providing services residents need in a fiscally responsible way.

### **What role will Town officials have during the transition?**

Town officials and employees will help the LGC understand the Town's finances and services. They will need to provide records and information and work with LGC staff on next steps. The Town's governing board will maintain its regular meeting schedule and is still permitted to make decisions outside the financial control assumed by the LGC.

### **What happens next, and how long will the LGC remain in control?**

The LGC will review the Town's revenue, debts, contracts, financial affairs and services. The Town will also report on the cost and income of its services over the last five fiscal years. That report is generally due within 90 days after this review process begins.

There is no set end date for LGC control. The Town and LGC will review the Town's finances each year to determine if progress is being made towards financial rehabilitation. If the LGC finds the Town's finances stable for three years in a row, it must return control to the Town. If the Town remains financially unstable, the LGC may continue its oversight and look at options such as working with another local government, merging, or dissolving the Town.

### **Does this mean Rowland will be dissolved or stop being a town?**

No. Taking control of a town's finances does not, by itself, dissolve the town.

The LGC has a separate process for considering a merger or dissolution if a town remains financially unstable. That would require further steps under state law.



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